

April 17, 2000

TO THE MISSISSIPPI STATE SENATE:

I am directed by the Governor to advise you that he has approved the following Senate Bills:

**S.B. NO. 2475:** AN ACT TO AMEND THE PROVISIONS OF THE MISSISSIPPI MOTOR VEHICLE COMMISSION LAW; TO CREATE SECTION 63-17-80, MISSISSIPPI CODE OF 1972, TO REQUIRE A LICENSE FOR MOTOR VEHICLE LESSORS; TO CREATE NEW SECTION 63-17-109, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT IN THE EVENT OF THE PROPOSED SALE OR TRANSFER OF A MOTOR VEHICLE DEALERSHIP AND THE FRANCHISE AGREEMENT FOR SUCH DEALERSHIP CONTAINS A RIGHT OF FIRST REFUSAL FOR THE MANUFACTURER OR DISTRIBUTOR, THE MANUFACTURER OR DISTRIBUTOR MUST MEET CERTAIN REQUIREMENTS IN ORDER TO EXERCISE SUCH RIGHT OF FIRST REFUSAL; TO PROVIDE THAT SUCH REQUIREMENTS SHALL NOT APPLY IN CERTAIN CIRCUMSTANCES; TO PROVIDE THAT IF THE MANUFACTURER OR DISTRIBUTOR EXERCISES ITS RIGHT OF FIRST REFUSAL, THE MANUFACTURER OR DISTRIBUTOR SHALL PAY THE REASONABLE EXPENSES INCURRED BY THE PROPOSED OWNER PRIOR TO THE EXERCISE OF THE RIGHT OF FIRST REFUSAL IN NEGOTIATING AND IMPLEMENTING THE CONTRACT FOR THE PROPOSED SALE OF THE DEALERSHIP; TO PROVIDE THAT THE MOTOR VEHICLE DEALER SHALL NOT HAVE ANY LIABILITY TO ANY PERSON AS A RESULT OF A MANUFACTURER OR DISTRIBUTOR EXERCISING ITS RIGHT OF FIRST REFUSAL; TO CREATE NEW SECTION 63-17-111, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT, NOTWITHSTANDING THE TERMS OF A FRANCHISE AGREEMENT, THE OWNER OF A MOTOR VEHICLE DEALERSHIP MAY APPOINT A SUCCESSOR BY A WRITTEN AGREEMENT TO SUCCEED IN THE OWNERSHIP OF THE DEALERSHIP UPON THE DEATH OR INCAPACITY OF THE OWNER; TO PROVIDE THAT A MANUFACTURER OR DEALER SHALL HONOR THE SUCCESSION UNLESS GOOD CAUSE EXISTS TO REFUSE TO HONOR THE SUCCESSION; TO PROVIDE A PROCEDURE TO REFUSE TO HONOR THE SUCCESSION; TO CREATE NEW SECTION 63-17-113, MISSISSIPPI CODE OF 1972, TO PROHIBIT THE MODIFICATION OF A FRANCHISE AGREEMENT WITHOUT 60 DAYS' NOTICE; TO REQUIRE GOOD CAUSE TO BE SHOWN TO THE COMMISSION; TO PROVIDE THAT THE SALE OF OTHER LINES OR MAKES OF MOTOR VEHICLES SHALL NOT BE GOOD CAUSE FOR TERMINATION OF FRANCHISE AGREEMENT; TO CREATE NEW SECTION 63-17-115, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT A MANUFACTURER OR DISTRIBUTOR THAT DIRECTLY OR INDIRECTLY OWNS OR OPERATES A NEW MOTOR VEHICLE

DEALERSHIP SHALL NOT UNREASONABLY DISCRIMINATE AGAINST ANY OTHER MOTOR VEHICLE DEALERSHIP IN THE SAME LINE OR MAKE IN ANY MATTER GOVERNED BY THE FRANCHISE AGREEMENT; TO CREATE NEW SECTION 63-17-117, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT ANY WARRANTY OR SALES INCENTIVE AUDITS OF A MOTOR VEHICLE RECORDS MUST BE CONDUCTED WITHIN A CERTAIN AMOUNT OF TIME AFTER THE PAYMENT OF THE DISPUTED CLAIM; TO PROVIDE THAT NO CLAIM WHICH HAS BEEN APPROVED AND PAID MAY BE CHARGED BACK TO THE MOTOR VEHICLE DEALER UNLESS IT CAN BE SHOWN BY A PREPONDERANCE OF THE EVIDENCE THAT THE CLAIMS WERE FALSE OR FRAUDULENT, THE REPAIRS WERE NOT PROPERLY MADE OR WERE UNNECESSARY, OR THE DEALER FAILED TO SUBSTANTIATE THE CLAIM; TO CREATE NEW SECTION 63-17-121, MISSISSIPPI CODE OF 1972, TO GIVE MOTOR VEHICLE DEALERS A CAUSE OF ACTION FOR VIOLATIONS OF THE MISSISSIPPI MOTOR VEHICLE COMMISSION LAW BY MANUFACTURERS OR DEALERS; TO PROVIDE THAT THE VENUE FOR ANY PROCEEDING ARISING FROM THE FRANCHISE AGREEMENT SHALL BE THE STATE OF MISSISSIPPI; TO AMEND SECTION 63-17-55, MISSISSIPPI CODE OF 1972, TO DEFINE CERTAIN TERMS; TO AMEND SECTION 63-17-73, MISSISSIPPI CODE OF 1972, TO PROHIBIT MANUFACTURERS OR DISTRIBUTORS FROM REQUIRING OR CONDITIONING THE RENEWAL OR EXTENSION OF A FRANCHISE THAT THE DEALER RENOVATE HIS BUILDING OR CONSTRUCT A NEW ONE UNLESS CERTAIN CONDITIONS ARE MET; TO PROHIBIT MANUFACTURER OR DISTRIBUTOR FROM PROHIBITING A DEALER FROM ACQUIRING ANOTHER LINE OF MOTOR VEHICLES IF THE DEALER REMAINS IN SUBSTANTIAL COMPLIANCE WITH THE REASONABLE FACILITIES' REQUIREMENTS OF THE MANUFACTURER OR DISTRIBUTOR; TO PROHIBIT THE MANUFACTURER OR DISTRIBUTOR FROM REFUSING TO SELL TO ALL DEALERS IN A LINE OR MAKE, EVERY MOTOR VEHICLE SOLD OR OFFERED FOR SALE UNDER THE FRANCHISE AGREEMENT; TO PROVIDE THAT A MANUFACTURER OR DEALER SHALL NOT REQUIRE A DEALER TO ADHERE TO PERFORMANCE STANDARDS THAT ARE NOT APPLIED UNIFORMLY TO SIMILARLY SITUATED MOTOR VEHICLE DEALERS; TO AMEND SECTION 63-17-75, MISSISSIPPI CODE OF 1972, TO REQUIRE THAT NEW APPLICATIONS FOR LICENSES AS A MOTOR VEHICLE DEALER SHALL BE ACCOMPANIED BY A SURETY BOND; TO AMEND SECTION 63-17-51, MISSISSIPPI CODE OF 1972, IN CONFORMITY TO THE PROVISIONS OF THIS ACT; AND FOR RELATED PURPOSES. (April 17, 2000; 4:52 PM)

**S.B. NO. 2826:** AN ACT TO AMEND SECTION 49-15-78, MISSISSIPPI CODE OF 1972, TO PROHIBIT THE USE OF TRAMMEL NETS WITHIN CERTAIN DISTANCE TO THE SHORELINE; AND FOR RELATED PURPOSES. (April 17, 2000; 4:45 PM)

Respectfully submitted,

Erich Howard  
Legislative Aide